

ORDINANCE NO. 15-10

AN ORDINANCE OF THE CITY OF KEY WEST, FLORIDA, AMENDING CHAPTER 66, ARTICLE IV OF THE CODE OF ORDINANCES ENTITLED "BUSINESS TAX" BY AMENDING SECTION 66-109 TO PROVIDE FOR AN INCREASE IN FEES PURSUANT TO FLORIDA STATUTES; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, Florida Statute section 205.0535(4) permits municipalities to increase license taxes by up to 5% every other year;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF KEY WEST, FLORIDA:

Section 1: That Chapter 66 of the Code of Ordinances is hereby amended as follows*:

Sec. 66-109. Schedule of taxes.

Each individual who acts as an agent and each individual who acts as a business or sales agent for a corporation engaged in any business mentioned in this section, when his principal has not paid a license in accordance with this section, shall be required to take out a license as agent in his own name. This section shall apply to every person who seeks, negotiates or

*(Coding: Added language is underlined; deleted language is ~~struck through~~.)

transacts, for himself or for any other person or corporation mentioned in this section, but not to inactive stockholders in corporations or members of agencies who do not attempt to transact any business for such agency. A license tax in the sum set opposite each of the following businesses, occupations or professions is levied and imposed upon the business, occupation or profession opposite which such sum is set:

(1) *Amusement/entertainment.*

a. Bars or restaurants with entertainment for patrons ...
\$ ~~194.25~~ 203.00

b. Entertainment establishment or facility (theater, museum, golf course, special equipment, or similar activity) ...
~~267.75~~ 281.00

c. Sightseeing vehicles (unit may be trolley, train or other vehicle), per vehicle ... ~~309.75~~ 325.00

d. Charter boat for fishing, diving or similar activity conducted under "six-pack license" ... ~~79.80~~ 83.00

e. Charter boat for fishing, diving, sightseeing, parasailing, water taxi, or similar activity other than those licensed under subsection (1)d of this section ... ~~162.75~~ 170.00

(2) *Coin-operated machines.*

a. Nonlaundry, per unit ... ~~10.24~~ 10.75

b. Laundry, per unit ... ~~6.56~~ 6.89

(3) *Financial institutions.*

a. All financial institutions, including banks, savings and loan associations, finance companies, and credit unions ...

~~1,102.50~~ 1,157.00

b. Automated teller machines, except those located on the site of, and used in conjunction with, a financial institution

... ~~183.75~~ 192.00

(4) *Food service activities.*

a. No seats (take out, deli, catering) ... ~~136.50~~ 143.00

b. Seating 1 to 15 ... ~~136.50~~ 143.00

c. Seating 16 to 40 ... ~~194.25~~ 203.00

d. Seating 41 to 60 ... ~~267.75~~ 281.00

e. Seating 61 to 120 ... ~~309.75~~ 325.00

f. Seating 121 and over ... ~~378.00~~ 396.00

(5) *Gas station.* All gas stations, including those offering repairs and other accessory uses; does not include convenience stores ... ~~267.75~~ 281.00

(6) *Hospital.* All hospitals ... ~~630.00~~ 661.00

(7) *Insurance.* Companies writing any class of insurance upon any person or property residing or located within the city limits or risks occurring within the city limits ... ~~294.00~~

308.00

(8) *Manufacturing/processing.* All manufacturing or processing businesses ... ~~194.25~~ 203.00

(9) Newspaper or magazine publishers.

a. Daily publication ... ~~\$309.75~~ 325.00

b. Periodical publication ... ~~162.75~~ 170.00

(10) Rentals.

a. Commercial property rental (mall, shopping center, or any other property owner renting or leasing space to five or more commercial tenants, including booth tenants, on a single parcel), per rental unit ... ~~27.30~~ 28.00

b. Nontransient residential rental, per unit ... ~~19.95~~
20.00

c. Transient residential rental, per unit ... ~~27.30~~ 28.00

d. Motel/hotel/timeshare, per unit ... ~~15.75~~ 16.00

e. Guesthouse/bed and breakfast, per unit ... ~~15.75~~ 16.00

f. Campground or mobile home park or trailer camp, per space ... ~~10.24~~ 10.75

Each rental unit within the park shall be charged in accordance with subsection (10)b or (10)c of this section, as applicable.

g. Commercial parking lot ... ~~79.80~~ 83.00

h. Marina, wet slips, per slip ... ~~15.75~~ 16.00

i. Marina, dry slips; each dry or stacked storage slip
... ~~3.26~~ 3.42

j. Motor-driven rental items, including mopeds, jet skis, tools ... ~~194.25~~ 203.00

k. Non-motor-driven rental items, including bicycles and videotapes ... ~~136.50~~ 143.00

(11) Retail, mail order, or wholesale sales. Gross square footage of entire structure area and/or outside display area, including storage, associated offices, restrooms, etc.:

- a. 0 to 500 square feet ... ~~136.50~~ 143.00
- b. 501 to 2,000 square feet ... ~~194.25~~ 203.00
- c. 2,001 to 5,000 square feet ... ~~267.75~~ 281.00
- d. 5,001 to 10,000 square feet ... ~~441.00~~ 463.00
- e. 10,001 to 25,000 square feet ... ~~630.00~~ 661.00
- f. Over 25,000 square feet ... ~~945.00~~ 992.00

(12) Services.

a. Professional real estate salesperson, massage therapist, or cosmetologist, per person ... ~~98.70~~ 103.00

b. Professional attorney or any other state-licensed professional not listed in subsection (12)a of this section, per person ... ~~309.75~~ 325.00

c. General service provider not listed in subsection (12)a or (12)b of this section, per business ... ~~98.70~~ 103.00

~~Per-business tax for businesses employing insurance agents shall be 50% of total state license tax for such agents, but not to exceed \$75.00 per business.~~

(13) Transportation, excluding taxicabs and pedicabs.

- a. Airlines ... ~~136.50~~ 143.00

b. Vehicle, including bus service and ambulance service
... ~~194.25~~ 203.00

(14) *Utility/communications.*

a. Telephone, gas, cable television, solid waste pickup,
telegraph and similar utilities ... ~~1,260.00~~ 1,323.00

b. Radio stations maintaining business office within city
... ~~194.25~~ 203.00

(15) *Adult entertainment.*

a. Adult bookstore/video store--See subsection (11).

b. Adult performance establishment--See subsection (1)a.

c. Adult-themed merchandise store--See subsection (11).

d. Adult motion picture theater--See subsection (1)b.

e. Adult business--See subsection (12)c.

f. Limited adult cabaret--See subsection (1)a.

Section 2: If any section, provision, clause, phrase,
or application of this Ordinance is held invalid or
unconstitutional for any reason by any court of competent
jurisdiction, the remaining provisions of this Ordinance shall
be deemed severable therefrom and shall be construed as
reasonable and necessary to achieve the lawful purposes of this
Ordinance.

Section 3: All Ordinances or parts of Ordinances of said City in conflict with the provisions of this Ordinance are hereby superseded to the extent of such conflict.

Section 4: This Ordinance shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Read and passed on first reading at a regular meeting held this 5th day of May, 2015.

Read and passed on final reading at a regular meeting held this 2nd day of June, 2015.

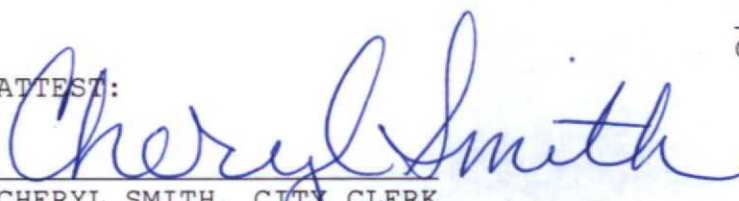
Authenticated by the presiding officer and Clerk of the Commission on 3rd day of June, 2015.

Filed with the Clerk June 3, 2015.

Mayor Craig Cates	<u>Yes</u>
Vice Mayor Mark Rossi	<u>Yes</u>
Commissioner Teri Johnston	<u>Yes</u>
Commissioner Clayton Lopez	<u>Yes</u>
Commissioner Billy Wardlow	<u>Yes</u>
Commissioner Jimmy Weekley	<u>Yes</u>
Commissioner Tony Yaniz	<u>Yes</u>


CRAIG CATES, MAYOR

ATTEST:


CHERYL SMITH, CITY CLERK



EXECUTIVE SUMMARY

To: James Scholl, City Manager
From: Sarah Hannah-Spurlock, Assistant City Manager
Meeting Date: May 5, 2015
Subject: Business Tax Receipt Fee Increase

Action Item

Commission approval of an ordinance to increase the local business tax five percent as stipulated in Florida Statute 205.0535(4), which allows municipalities to increase by ordinance the rates of business taxes by up to 5 percent every other year. An increase may not be enacted by less than a majority plus one vote of the governing body.

Background

The local business tax represents the fees charged and the method by which a local government grants the privilege of engaging in or managing any business, profession, and occupation within its jurisdiction. Proceeds are considered general revenue for the local government. All taxes are due and payable on or before September 30th of each year, and the receipts expire on September 30th of the succeeding year.

The first time Florida municipalities were allowed to increase fees was in 1997. The City increased certain business tax receipt (BTR) fees by 5%. In 1999, all business tax fees were increased by 5%. In 2001, 2003, 2005, 2007, and 2009, the City increased fees from 0 to 5%, resulting in a bottom line increase of 2.25%, 3.75%, 3.5%, 3.7%, and 5% respectively. The City is eligible to increase business tax fees again this year.

Recommendation

As business taxes have not increased since 2009 (6 years), staff recommends that Commission adopt an ordinance increasing Business Tax Receipt fees by 5%. The estimated revenue increase is \$65,000. As an option, the Commission may also consider rounding down to the nearest whole dollar so as to minimize the inconvenience of dealing with cents. However, if rounding down to the nearest dollar actually reduces a particular fee, then a 5% increase would be implemented. For example, a BTR for a laundry machine is currently \$6.56. A 5% increase would raise the fee to \$6.89. In this case, the fee would not round down to the nearest whole dollar, rather the new fee would be \$6.89. The resulting estimated increase with the rounding down option is \$64,350. **Both versions of the ordinance are attached.**

	CATEGORY	CURRENT FEE	PROPOSED FEE (5% INCREASE)	PROPOSED FEE (5% INCREASE-- ROUND DOWN TO NEAREST DOLLAR)
01A	Bar with entertainment	\$ 194.25	\$203.96	\$203.00
01B	Entertainment Est	\$ 267.75	\$281.14	\$281.00
01C	Sightseeing vehicle, ea	\$ 309.75	\$325.24	\$325.00
01D	6-pack charter	\$ 79.80	\$83.79	\$83.00
01E	more than 6 passengers	\$ 162.75	\$170.89	\$170.00
02A	coin op machine	\$ 10.24	\$10.75	\$10.75
02B	laundry machine	\$ 6.56	\$6.89	\$6.89
03A	Financial institution	\$ 1,102.50	\$1,157.63	\$1,157.00
03B	ATM	\$ 183.75	\$192.94	\$192.00
04A	Take out food	\$ 136.50	\$143.33	\$143.00
04B	seating 1 - 15	\$ 136.50	\$143.33	\$143.00
04C	seating 16-40	\$ 194.25	\$203.96	\$203.00
04D	seating 41-60	\$ 267.75	\$281.14	\$281.00
04E	seating 61-120	\$ 309.75	\$325.24	\$325.00
04F	seating over 121	\$ 378.00	\$396.90	\$396.00
5	Gas station	\$ 267.75	\$281.14	\$281.00
6	Hospitals	\$ 630.00	\$661.50	\$661.00
7	Insurance Companies	\$ 294.00	\$308.70	\$308.00
8	Manufacturing	\$ 194.25	\$203.96	\$203.00
09A	Daily Newspaper	\$ 309.75	\$325.24	\$325.00
09B	Periodical	\$ 162.75	\$170.89	\$170.00
10A	Commercial rental	\$ 27.30	\$28.67	\$28.00
10B	Non-transient rental	\$ 19.95	\$20.95	\$20.00
10C	Transient rental	\$ 27.30	\$28.67	\$28.00
10D	Motel unit	\$ 15.75	\$16.54	\$16.00
10E	Guesthouse unit	\$ 15.75	\$16.54	\$16.00
10F	Trailer park	\$ 10.24	\$10.75	\$10.75
10G	Parking Lot	\$ 79.80	\$83.79	\$83.00
10H	Marina wet slip	\$ 15.75	\$16.54	\$16.00
10I	Dry slip	\$ 3.26	\$3.42	\$3.42
10J	Motor driven rental	\$ 194.25	\$203.96	\$203.00
10K	nonmotor driven	\$ 136.50	\$143.33	\$143.00
11A	Retail less than 500 sf	\$ 136.50	\$143.33	\$143.00
11B	Retail 500-2000	\$ 194.25	\$203.96	\$203.00
11C	Retail 2000 - 5000	\$ 267.75	\$281.14	\$281.00
11D	Retail 5000 - 10000	\$ 441.00	\$463.05	\$463.00
11E	Retail 10000 -25000	\$ 630.00	\$661.50	\$661.00
11F	Retail over 25000	\$ 945.00	\$992.25	\$992.00
12A	Cosmotologists	\$ 98.70	\$103.64	\$103.00
12A	Massage Therapists	\$ 98.70	\$103.64	\$103.00
12B	Professionals	\$ 309.75	\$325.24	\$325.00
12C	General service	\$ 98.70	\$103.64	\$103.00
13A	Airline	\$ 136.50	\$143.33	\$143.00
13B	Vehicle, ambulance	\$ 194.25	\$203.96	\$203.00
14A	Utility	\$ 1,260.00	\$1,323.00	\$1,323.00
14B	Radio	\$ 194.25	\$203.96	\$203.00